



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Jane Light

SUBJECT: SEE BELOW

DATE: 12-17-07

Approved

Katy Allen

Date

12/21/07

COUNCIL DISTRICT: 2

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT TO THE LOWEST RESPONSIVE BIDDER BRCO CONSTRUCTORS, INC. FOR THE SANTA TERESA BRANCH LIBRARY PROJECT

RECOMMENDATION

- a) Consent to the request of Farotte Construction, Inc. to be relieved of its low bid for the Santa Teresa Branch Library Project based upon a mistake in filling out the bid.
- b) Report on bids and award of contract for the Santa Teresa Branch Library Project to the lowest responsive bidder, BRCO Constructors, Inc., for the base bid and Add Alternates Nos. 1 through 6 in the total amount of \$8,876,000, and approval of a contingency in the amount of \$887,600.

OUTCOME

Approval of this construction contract to BRCO Constructors, Inc. will allow the Santa Teresa Branch Library project to be built and occupied for use by the community. Approval of a standard 10% contingency will provide funding for any unanticipated work necessary for the completion of this project.

EXECUTIVE SUMMARY

The purpose of this memorandum is to report on bids and award a contract to BRCO Constructors, Inc for the construction of the Santa Teresa Branch Library project including all add alternates.

BACKGROUND

The New Santa Teresa Branch Library is the fifteenth library to be constructed using City Library Bond Funds and is based on the Branch Facility Master Plan approved by Council in September 2000. The site is located at 290 International Circle. The new 22,000 square foot

library will replace the existing 13,800 square foot library building on the same site. The current library is on approximately 1.56 acres of City of San Jose owned land. The Library is surrounded by multi-family residential properties to the East, single-family residential to the South, hospital facilities to the North, and a vacant lot to the West (map attached).

The new library building will feature various reading areas, a tech center, a new Internet Café area, children and adult collection spaces and a community meeting room. The site will be developed to refurbish and expand an existing parking lot to provide parking for 70 automobile, and 3 disabled access spaces.

The Santa Teresa Branch Library Project has been designed to achieve a level of LEED Certified. The certification will be pursued within the limits of the available budget. Construction is scheduled to begin in spring 2008 with completion in summer 2009.

ANALYSIS

Bids were opened on October 25, 2007 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$10,880,000	-	-
John Plane Construction, Inc. (Brisbane, CA)	\$9,880,000	(1,000,000)	(9)
Sausal Corporation (San Leandro, CA)	\$9,720,000	(1,160,000)	(11)
Ralph Larsen and Sons, Inc. (San Mateo, CA)	\$9,288,000	(1,592,000)	(15)
Swenson & Associates (Campbell, CA)	\$9,150,000	(1,730,000)	(16)
West Coast Contractors (Fairfield, CA)	\$9,147,000	(1,733,000)	(16)
BRCO Constructors, Inc. (Loomis, CA)	\$8,456,000	(2,424,000)	(22)
Farotte Construction Company Inc. (Gilroy, CA)	\$7,520,024	(3,359,976)	(31)

In addition to the base bid scope of work there are six add alternate bid items:

Add Alternate Description:

- Add Alternate No. 1: Additional west wall glazing
- Add Alternate No. 2: Install two additional skylights, 4 vs. 2
- Add Alternate No. 3: Additional gypboard framed enclosure to supply ducts
- Add Alternate No. 4: Add suspended wood ceilings
- Add Alternate No. 5: Include gondolas, pyramids, CD units
- Add Alternate No. 6: Include signage, other than code related

Breakdown of bids including add alternates:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alt Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Engineer's Estimate	\$10,880,000	\$534,000	\$11,414,000	-	-
John Plane Construction	\$9,880,000	\$453,000	\$10,333,000	(1,081,000)	(10)
Sausal Corporation	\$9,720,000	\$468,604	\$10,188,604	(1,225,396)	(11)
Ralph Larsen & Sons	\$9,288,000	\$435,000	\$9,723,000	(1,691,000)	(15)
Swenson & Associates	\$9,150,000	\$529,900	\$9,679,900	(1,734,100)	(15)
West Coast Contractors	\$9,147,000	\$440,000	\$9,587,000	(1,827,000)	(16)
BRCO Constructors	\$8,456,000	\$420,000	\$8,876,000	(2,538,000)	(22)
Farotte Construction	\$7,520,024	\$478,423	\$7,998,447	(3,415,553)	(30)

Breakdown of each bidder's add alternate pricing is as follows:

<u>Contractor</u>	<u>Add Alt. No.1</u>	<u>Add Alt. No.2</u>	<u>Add Alt. No.3</u>	<u>Add Alt. No.4</u>	<u>Add Alt. No.5</u>	<u>Add Alt. No.6</u>
John Plane Construction	\$23,000	\$36,000	\$9,000	\$160,000	\$150,000	\$75,000
Sausal Corporation	\$44,132	\$39,266	\$14,112	\$141,123	\$152,709	\$77,262
Ralph Larsen & Sons	\$20,000	\$32,000	\$15,000	\$155,000	\$143,000	\$70,000
Swenson & Associates	\$40,000	\$29,900	\$10,000	\$141,000	\$213,000	\$96,000

West Coast Contractors	\$30,000	\$30,000	\$15,000	\$160,000	\$195,000	\$10,000
BRCO Constructors	\$20,000	\$25,000	\$15,000	\$120,000	\$160,000	\$80,000
Farotte Construction	\$20,702	\$17,415	\$13,055	\$154,765	\$141,481	\$131,005
Engineer's Estimate	\$129,000	\$24,000	\$10,000	\$85,000	\$189,000	\$97,000

All bids submitted are well below the Engineer's Estimate. The reason for the high Engineer's Estimate is attributed to the estimating consultant projecting a continued trend of escalating construction costs experienced over the past several years. Fortunately, the lower bid values reflect increased subcontractor competition due to reductions in new home construction activity. Favorable bid timing due to completion of seasonal school projects, may also have contributed to these results.

Withdrawal of Low Bid

After opening of bids, Farotte Construction, the apparent low bidder on the project, contacted the Department of Public Works requesting to withdraw its bid due to a mathematical error in calculating their bid total. They followed up with a formal letter and back-up documentation identifying the calculation error. The City of San José Standard Specifications, section 2-1.095 - Relief of Bidders, allows for the City to relieve a Contractor of its bid based on mistake if the following conditions exist: (1) the contractor gives written notice of the mistake within 5 days of bid opening, (2) the mistake made the bid materially different than the contractor intended, and (3) the mistake was made in filling out the bid and not due to an error in judgment or to carelessness by the contractor in inspecting the site for the work, or in reading the plans and specifications. Staff has evaluated Farotte's documentation (see attachment) and determined all the necessary criteria has been met and that Farotee should be relieved of its bid.

The next lowest bidder is BRCO Constructors, Inc. Staff recommends award of the construction contract to BRCO Constructors, Inc.

EVALUATION AND FOLLOW-UP

Approval of the recommendation identified in this memorandum will enable the project to move forward into construction phase. In addition to the base bid, staff recommends award of Add Alternates 1 through 6 as part of the contract due to the favorable price for each submitted by the low bidders. The construction period is 18 months, therefore the project will be completed in summer of 2009. At this time, no other issue needs to be followed up with Council.

POLICY ALTERNATIVES

Not applicable

PUBLIC OUTREACH/INTEREST

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. To solicit contractors this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects were provided to various contractor organizations and builder's exchanges.

This award memo is also posted on the City's website for the January 15, 2008 Council Agenda.

In addition, community participation in the design effort through various community participation meetings for this branch Library was solicited through flyers at the existing nearby branches and mailers to the nearby residents.

COORDINATION

This memorandum has been coordinated with the Departments of Planning, Building and Code Enforcement, the City Manager's Budget Office and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy to continue with capital investments that spur construction spending in our local economy. The construction of this library will also assist in meeting the General Plan goal of providing .59 square feet of library space per capita.

COST SUMMARY/IMPLICATIONS

1. **COST OF PROJECT:**

Project Delivery	\$2,358,000
Construction	8,876,000
Contingency (10%)	887,600
Public Art	220,000
TOTAL PROJECT COSTS	\$12,341,600

Prior Year Expenditures	(\$1,200,768)
REMAINING PROJECT COSTS	\$11,140,832

2. **COST ELEMENTS OF CONSTRUCTION CONTRACT:**

Lump Sum Contract:	\$8,876,000
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3. **SOURCE OF FUNDING:** 472 - Branch Libraries Bond Projects Fund

4. **OPERATING COST:** The new Santa Teresa Branch will have a net annual operating and maintenance impact of \$1,157,000 starting in FY 2009-10. This funding was included in the 2009-2013 Proposed General Fund Forecast, released on November 14, 2007.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2007-2008 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$11,140,832			
Total Funding Available							
472	5158	Santa Teresa Branch	140265	\$14,167,000	\$8,876,000	V-272	10/16/07 Ord. No. 28143
Funding in future years of CIP*				\$249,000			
Total Funding Available				\$14,416,000			

* Additional funding is allocated in 2008-2009 (\$169,000) and 2009-2010 (\$80,000) for the Santa Teresa Branch Library project.

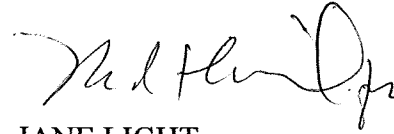
HONORABLE MAYOR AND CITY COUNCIL
12-17-07
Subject: Santa Teresa Branch Library Project
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CEQA

CEQA: Exempt, PP07-099

A handwritten signature in dark ink, appearing to read 'KATY ALLEN' with a stylized flourish at the end.

KATY ALLEN
Director, Public Works Department

A handwritten signature in dark ink, appearing to read 'JANE LIGHT' with a stylized flourish at the end.

JANE LIGHT
Library Director

For questions please contact DAVID SYKES, ASSISTANT DIRECTOR, PUBLIC WORKS DEPARTMENT, at 408-535-8300.

attachment
KJ:RR:dT/sb

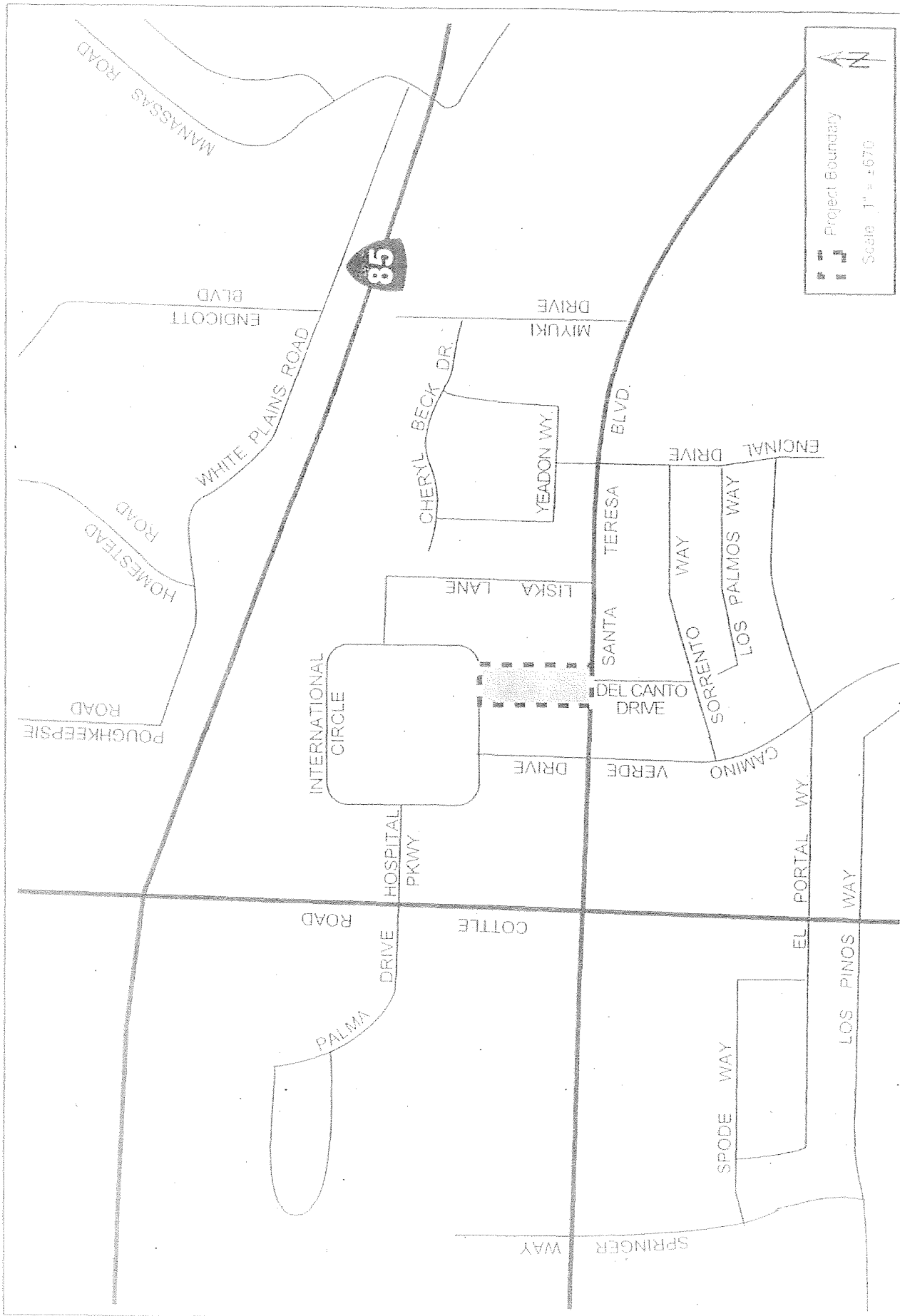


FIGURE 2

VICINITY MAP

October 30, 2007

City of San Jose
City Facilities Architectural Division
200 East Santa Clara Street
6th Floor
San Jose, California 95113

Attn: Mr. Steven Blum

Re: Proposal for Santa Theresa Branch Library Project

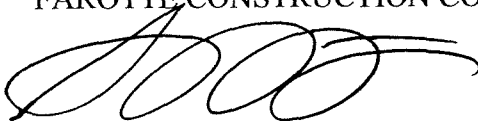
Dear Mr. Blum:

Please use this correspondence as our formal request for you to allow us to withdraw our proposal for the construction of this project. Our understanding is that we must formally request that our proposal be withdrawn within five business days of the bid date which was last Thursday, October 25, 2007.

Unfortunately, our proposal amount was affected by a significant mathematical error that caused our proposal amount to be dramatically lower than what we need to have in order to be able to complete the project. We understand the significance of our request to withdraw our proposal and would be happy to provide you any additional information you may require in order to grant us this request.

We sincerely appreciate your consideration and look forward to being allowed to withdraw our proposal. Kindly notify us as soon as possible if you require any additional information.

Sincerely,
FAROTTE CONSTRUCTION CO., INC.



Gary J. Farotte

RECEIVED

OCT 30 2007

DPW-CFAS

Attachment

BASE BID - SANTA TERESA BRANCH LIBRARY

DIV 1	BID
GENERAL CONDITIONS	
Farotte Items	602,227
Permits & Fees	1,500
Civil Engineer	9,750
Allow - Utility Conn	150,000
Allow - Erosion Control	20,000
DIV 2 - SITE WORK	
Demolition	70,420
Hazardous Materials Abatement	9,050
Earthwork & Pavement	129,748
Decomposed Granite Paving	3,500
Landscape and Irrigation	75,646
Glass Mulch	107,525
SS Angle at Glass Mulch	See Steel
Site Plumbing	165,648
Site Fire Water	In Site Plumb
Striping/Bumpers/Signs	4,750
Site Concrete, Sub	90,404
Site Furnishings	11,300
Vehicle Entrance	N/A
Concrete Wash Down Trough	N/A
Wheel Washdown	N/A
Topsoil Import	N/A
Fire Sprinkler Underground Permit	2,500
Access Road Across Site	15,000
Backfill at CMU Wall Fdn	20,000
DIV 3 - CONCRETE	
Pier Excavation	In Conc
Underslab Vapor Retarder - Material	6,217
Underslab Vapor Retarder - Labor	2,400
Bldg Concrete, Sub	See Farotte
Bldg Concrete, Farotte	320,000
Reinforcing Steel - Materials	In Conc
Reinforcing Steel - Labor	In Conc
Concrete - Decorative	In Site
DIV 4 - MASONRY	
CMU	52,500
Marble Stone Cladding	115,625
DIV 5 - METAL WORK	
Structural and Misc Steel	585,050
Metal Decking	79,000
Install Decking Insulation	600
Safety Railing & Install	7,866
Cold Formed Metal Framing	N/A
Metal Fabrications	In Steel
Countertop Supports	150
Ships Ladder	In Steel
Set Steel Cols in Piers	23,100
Stainless Steel Curb at Glass Mulch	25,000
Misc Steel Items	25,000
DIV 6 - WOOD and PLASTIC	
Arch Wood Casework	57,680
DIV 7 - THERMAL and MOISTURE	
Building Insulation	29,670
Underslab Slab Vapor Retarders	Incl
Self Adhered Underlayment	6,987
Membrane Roofing	205,400
Sheet Mtl Flash & Trim	38,400
Roof Hatches	1,135

BASE BID - SANTA TERESA BRANCH LIBRARY

Fire Proofing - Spray On Intumescent	36,000
Penetration sealing/firestopping	15,000
Joint Sealers / Caulking	8,500
DIV 8 - DOOR and WINDOWS	
Doors, Frames, Hardware - Materials	59,860
Overhead Coiling Grills	8,112
Automatic Doors	In Glass
Skylights	In Glass
Storefront & Glasswork	791,591
Structured Polycarbonate Panels	141,596
Anti-Graffiti Film	In Glass
DIV 9 - FINISHES	
Lath & Plaster	174,528
Gypsum Board Systems	294,660
Drywall at Supply Duct	In Drywall
Tilework - Ceramic Tile	39,700
Tilework - Terrazo Tile	In Tile
Acoustic Ceilings	140,818
Acoustic Ceilings - Curved Panels	Incl
Acoustic Ceilings - Wood Panels	Incl
Cork Flooring	Incl
Flooring - Resilient & Carpet	212,300
Sprayed Acoustical Treatment	In Plaster
Acoustic Wall Panels	11,900
Painting	85,734
Painting - Intumescent	In Fireproof
Anti Graffiti Coating	In Paint
DIV 10 - SPECIALTIES	
Visual Display Boards	686
Solid Plastic Toilet Partitions	7,360
SS Corner Guards	2,040
Impact Resistant Wall Panels - FRP	2,500
Manuf Fireplaces	955
Signage	500
Wood Lockers	5,500
Toilet & Bath Accessories	8,880
Fire Extinguishers & Cabinets	1,140
Public Telephones	4,500
Exterior Sun Control Devices	In Lass
DIV 11 - EQUIPMENT	
Projection Screens	5,651
Library Stacking (Shelves)	168,800
Library Theft Prevention	22,300
Library Book Depository Units	3,500
DIV 12 - SPECIAL CONSTRUCTION	
Entry Mats (Foot Grills)	4,000
Roller Window Shades	43,500
DIV 15 - MECHANICAL	
Plumbing	165,000
Fire Sprinklers	128,000
Heating, Vent & AC	642,646
DIV 16 - ELECTRICAL	
Building Electrical	893,400
Temp Power	Incl
Elect Performance Bond - Add 3%	26,802
Trenching & Restoration	25,000
Audio/Visual	100,000

BASE BID - SANTA TERESA BRANCH LIBRARY

Adds	
HVAC Commissioning	5,000
Air Balance	7,700
Leeds	40,000
Project Engr	68,000
Carpentry	32,000
Engr'g for supporting from building	25,000
TOTAL	7,228,707
OH & Profit (3%)	216,861
Total	7,445,568
Bond (1%)	74,456
TOTAL	7,520,024

BASE BID - SANTA TERESA BRANCH LIBRARY

SANTA TERESA LIBRARY - ALTERNATES

Alternate 1- Clerestory Glass in Lieu of Plaster Wall

Deduct Insulation	
Deduct Drywall (Metal stud & Finish)	3,585
Deduct Plaster	
Deduct Antigraffiti Coating	N/A
Add Steel Columns	N/A
Add Glass	16,315
Total	19,900
OH & Profit (3%)	597
Total	20,497
Bond Premium	205
Total	20,702

Alternate 2- Provide Two Additional Skylights

Structural Steel Framing	2,950
Wood Blocking/Backing	
Roofing	
Skylights	4,000
Drywall	9,790
Painting	
Firesprinkler	
Electrical	
Total	16,740
OH & Profit (3%)	502
Total	17,242
Bond Premium	172
Total	17,415

Alternate 3 - Framed Enclosure of Supply Ducting

Credit HVAC Drywall Work	N/A
Drywall	12550
Total	12550
OH & Profit (3%)	376.5
Total	12926.5
Bond Premium	129.265
Total	13056

Alternate 4 - Provide Wood Ceiling Panels in Lieu of Acoustical Panels

Delete Acoustical Panels	
Add Wood Ceiling Panels	148770
Total	148770
OH & Profit (3%)	4463.1
Total	153233.1
Bond Premium	1532.331
Total	154765

Alternate 5 - Millwork Furniture

Millwork	136000
Total	136000
OH & Profit (3%)	4080
Total	140080
Bond Premium	1400.8
Total	141481

BASE BID - SANTA TERESA BRANCH LIBRARY

Alternate 6 - Signage

Signage - Signs	86380
Signage - Monument Sign	37750
Monument Sign Glass	1800
Total	125930
OH & Profit (3%)	3777.9
Total	129707.9
Bond Premium	1297.079
Total	131005